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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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**Nº 040**

24 April 1971

State Department review completed

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Approved For Release 2003/08/21 : CIA-RDP79T00975A018900010001-1

Approved For Release 2003/08/21 : CIA-RDP79T00975A018900010001-1

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No. 0098/71  
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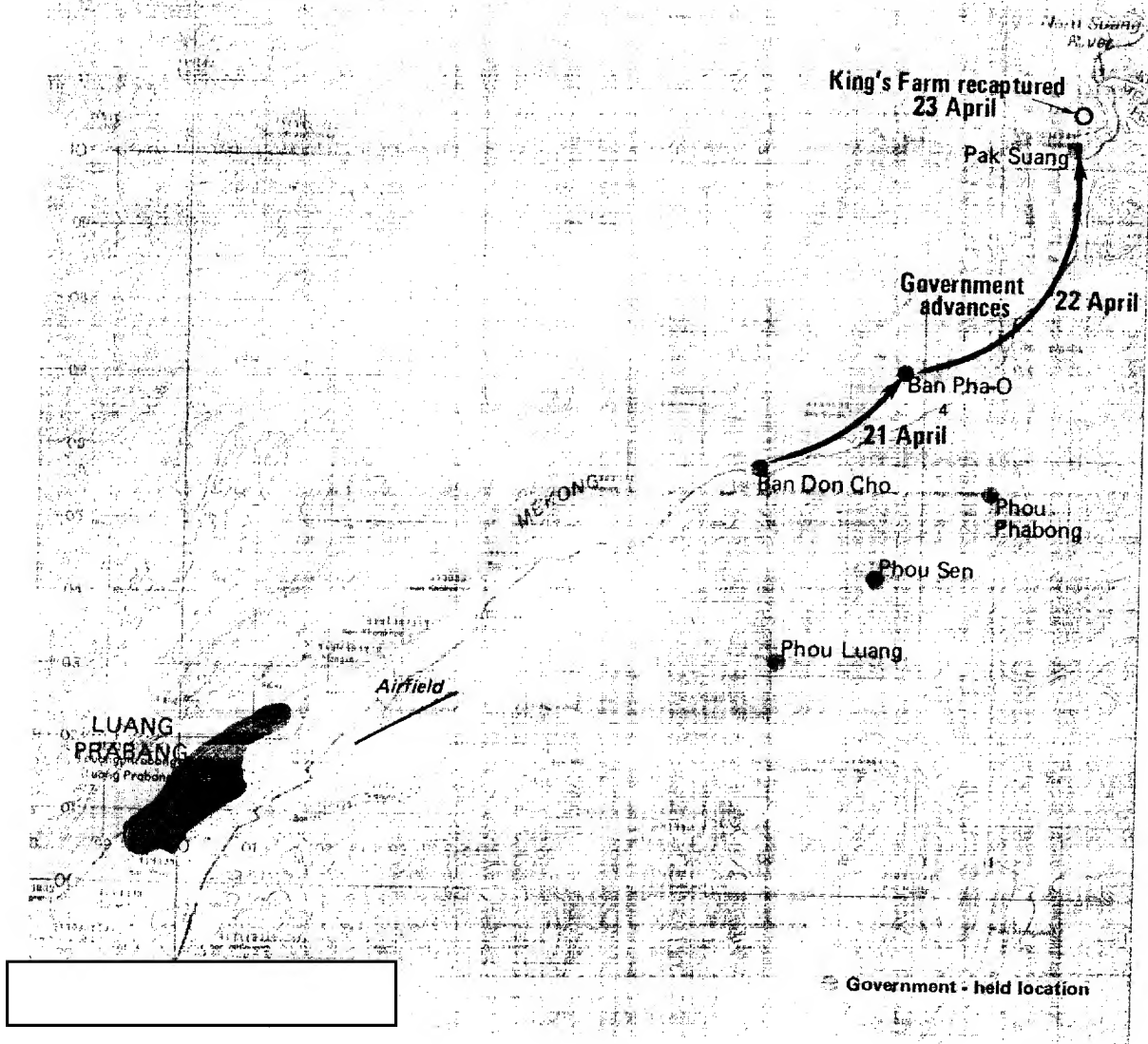
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LAOS: Luang Prabang Area



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LAOS: Government forces in the Luang Prabang area are making headway in their campaign to clear Communist units from the hills east of the capital.

Irregular troops appear to have consolidated their hold on three positions on the high ground overlooking the Luang Prabang airfield and have substantially extended their control of Route 4 along the Mekong River. Government battalions seized Ban Pha-O on 21 April and by the 22nd had reached the junction of the Mekong and Nam Suang rivers. Yesterday irregular units crossed from Pak Suang to the northern bank of the Nam Suang and reoccupied the King's Farm which had been in enemy hands since 21 March. A second government task force was reported to be closing on Pak Suang from the east where irregulars have had considerable success during the past week in encounters with North Vietnamese troops and have captured weapons abandoned by the enemy.

Substantial numbers of Communist troops remain in this area, however, and it is possible that enemy forces may yet strike hard at the government battalions.

North Vietnamese units are known to have taken significant losses during the past week, particularly in the area southeast of Pak Suang. Their abandonment of weapons is uncharacteristic and suggests that they have been subjected to heavy pressure. It is too early to conclude that the threat to the Luang Prabang area has been dissipated, but for the moment the Communists appear to be falling back to safer ground.



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USSR-US: Moscow is hastily attempting to arrange a visit to the US next month by high-ranking economic officials.

Only on 22 April did the Soviets begin to make arrangements with the US for the visit, which they hope to start on 5 May. In addition to deputy ministers of foreign trade and state planning, the 14-man delegation will be composed largely of representatives of the motor vehicle and machine building industries.

The visit probably concerns Soviet attempts to obtain advanced technology and equipment for a heavy truck manufacturing complex to be built near the Kama River in the central USSR. The delegation hopes to meet with officials of US corporations with which the Soviets have conducted preliminary negotiations or taken soundings through intermediaries.

In addition, the delegation may also have the objective of encouraging US businessmen to lobby for relaxation of licensing controls on the export of high-production US machinery to the USSR. This could also explain the timing of the delegation's visit inasmuch as a US machine tool group is scheduled to travel to the USSR on 23 May.

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SOUTH AFRICA: The new centralized security service has emerged relatively unscathed from a prolonged judicial investigation.

Prime Minister Vorster has approved the long-awaited report of the one-man judicial commission of inquiry into state security. Vorster appointed the commission in the fall of 1969 after the newly formed Bureau for State Security (dubbed BOSS) had come under heavy criticism. The South African legal profession and judiciary, in particular, publicly indicated their fears of new encroachments on civil liberties under some of the legislation setting up the bureau.

Although the commission's report was submitted to Vorster in August 1970, he did not act on it until now.

The commission exonerated BOSS from many of the charges leveled against it, approved the concept of a centralized intelligence service, and proposed amendments to some of the more controversial clauses in certain legislation. Vorster has accepted all of the Commission's recommendations and plans to seek the legislation recommended by it.

For the past year, there has been bickering among the security services, particularly between BOSS and the police. The commission's report together with other recent directives from the prime minister's office will put the police more directly under the control of BOSS in politically sensitive cases. This should help to minimize the politically embarrassing aspects of heavy-handed police tactics.

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HAITI: Neither the scattered exile groups nor opponents inside Haiti have shown signs of action, and there is no good evidence as yet of what the Cuban reaction will be. In the neighboring Dominican Republic, military units remain on alert but none has been moved to the border area; there is no evidence of untoward official concern about events in Haiti.

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PERU - COMMUNIST CHINA: Peru plans to discuss sales of fish meal with a Chinese Communist commercial mission that has arrived in Lima. The mission, which is headed by a vice minister of foreign trade, had previously concluded a long-term trade agreement with Chile. In addition to gaining a wider market for Peru's large fish meal production, such a sale or a barter for Chinese rice would support Lima's general policy of expanding its contacts with non-Western countries. The Peruvian foreign minister assured the US ambassador that such negotiations would not imply that Peru plans to recognize the Peking regime or support it for admission to the UN. The Chinese probably will use the negotiations to make a discreet pitch in favor of establishing diplomatic relations with Peru.

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IRELAND: Prime Minister Lynch is facing a period of uncertainty in Parliament. Late this week the opposition parties forced a vote calling for the reversal of a government order that temporarily cut off certain welfare benefits. The government won the vote, but several Fianna Fail deputies rebelled, an almost unprecedented act in the usually disciplined ranks of the ruling party. In addition, the opposition has tabled a motion of no confidence in the agriculture minister for alleged misdeeds in connection with the investigation of last year's arms smuggling controversy. The government's budget, which is scheduled to be introduced next Wednesday, may now be in jeopardy as a result of the break in party ranks.

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AUSTRIA: The Socialist incumbent, 72-year-old Franz Jonas, is expected to win tomorrow's election for the largely ceremonial post of the Austrian presidency. His challenger, however, former foreign minister Kurt Waldheim, has waged a vigorous and effective campaign, and Jonas is bucking the post-war Austrian tradition that the president and chancellor should come from different parties. The primary significance of the election will be its effect on the calculations of Chancellor Kreisky, whose year-old government lacks a parliamentary majority. If Jonas does not gain a substantial majority, Kreisky will be less inclined to use the threat of calling new parliamentary elections to push through controversial legislation.

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UGANDA-SUDAN: The Uganda Government has expelled the Sudanese representative in Kampala and rumors are circulating that clashes have occurred along the border. As yet there is no firm evidence to confirm General Amin's earlier charge that the Sudanese assisted supporters of deposed president Obote, who attempted to cross the border on 18 April.

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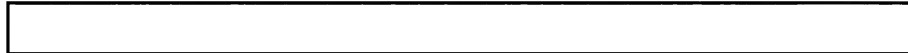
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GUINEA: The Yugoslav Government firm, Energo-projekt, has agreed to help prospect and exploit the last untapped major bauxite deposit located in central Guinea. A new firm will be established with 51-percent ownership by the Guinean Government. In addition to carrying out feasibility and geologic studies, the firm will consider constructing an alumina plant with a capacity of 300,000 tons annually.

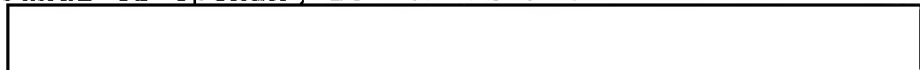
The agreement appears to be patterned after those of the Boke project--Guinea's largest bauxite operation and considered a model for future projects--and includes provisions for facilities to support exploitation, training programs, and a 65-35 profit split in favor of the Guinean Government. During the past three years Guinea has attracted substantial investment commitments from the USSR and several international private Western consortia in its drive to exploit its bauxite, one of the world's largest reserves.



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ISRAEL-EGYPT: Two Israeli cabinet ministers have publicly questioned the likelihood of an agreement on the opening of the Suez Canal. Information Minister Yisrael Galili told a student group Thursday that the chances for bridging the gap between Israeli and Egyptian proposals on the issue were very slim. Galili, a close confidant of Premier Golda Meir, warned against international efforts to open the canal under conditions that would be against Israel's security interests. Echoing Galili's warning, Interior Minister Yosef Burg told a rally the same day that he saw no possibility of establishing peace at the Suez Canal or opening it for international navigation.



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